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FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC PRIORITY 7260
INFO RUEHEG/AMEMBASSY CAIRO PRIORITY 0183
RUEHIN/AIT TAIPEI PRIORITY 0093

S E C R E T BERLIN 000409

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STATE FOR ISN AND EUR/AGS

E.O. 12958: DECL: 02/28/2017
TAGS: [PARM](#) [PREL](#) [ETTC](#) [MTCRE](#) [KSCA](#) [GM](#) [TW](#) [EG](#)
SUBJECT: GERMAN FIRM ALERTED TO TAIWAN FIRM'S FALSE END-USE
STATEMENT

REF: A. 06 BERLIN 3240

[1](#)B. 06 STATE 180902

Classified By: Global Affairs Counselor Donald R. Shemanski, for reason
s 1.4 (b) and (d).

[1](#)1. (S) German MFA Export Control Division Desk Officer met Global Affairs officer February 23 and passed the following German-language nonpaper in response to ref B demarche concerning the Taiwan firm Hartford's use of a false end-user certificate to divert German-produced CNC controllers to the Egyptian Air Force. According to Kauke, German export control authorities investigated the case and, despite finding no evidence that Heidenhain wittingly violated German export control laws, notified it that it must apply for a license in the future to export items to Hartford. Kauke said Heidenhain agreed to do this.

[1](#)2. (S) Begin unofficial embassy translation of German-language nonpaper:

With reference to the nonpaper for German export control authorities that you provided to us on November 6, 2006, regarding the alleged falsification of end-user certificates on the part of the Taiwan firm Hartford (She Hong), allow us to bring the following information to the attention of the U.S. authorities:

-- We thank you for the information concerning the export from the firm Hartford to Egypt of a total of five milling machines, for which the CNC controllers supposedly were provided by the German firm Heidenhain. The export should have been completed to the Arab Organization of Industrialization/Aircraft Factory (Egypt) and was coordinated by the Egyptian firm Goodway Technologies. The actual end user could be the Egyptian Air Force, which would contradict the Hartford-provided end-user certificates, according to which the goods will not be used for military purposes.

-- Preliminary investigations by the appropriate authorities have indicated no discernible violations of German export control regulations by the firm Heidenhain.

-- The firm Hartford She Hong Industrial Company, Ltd., a producer of CNC vertical machines, is named as a beneficiary of a blanket export approval for the export of different types of CNC controllers from the firm Heidenhain to civilian end users. This is the connection to the information in your nonpaper.

-- Because of the suspicion of a violation against the re-export condition included in the end-user certificate, the

firm Hartford in the meantime has been barred from using the blanket export approval by the Federal Economic and Export Licensing Agency (BAFA). The firm Heidenhain must apply for specific export approval in every case to export to this end user in the future.

We are pleased with our continuing outstanding cooperation in the area of export controls.

End text of German-language nonpaper.
KOENIG